

IN THE TITLE:

Please amend the title of the invention on the first and last page of the application as follows:

**~~SYSTEM AND METHOD FOR A~~ LOTTERY AND AUCTION BASED
TOURNAMENT ENTRY EXCHANGE PLATFORM**

IN THE SPECIFICATION:

Please replace the paragraph beginning at page 9, lines 21-29 as follows:

At step 118, the tournament concludes, and the holder of the winning entry receives a payout. The payout can be determined according to any suitable method. For example, the payout can be all or a portion of the pool of entry fees. The payout can be some other fixed amount. ~~They~~The payout can be an amount from which is deducted a commission or takeout. A takeout might be deducted, for example, by a host which operates the exchange. The takeout or commission can be determined according to any suitable method. For instance, the takeout might be determined as a percentage of the initial pool of entry fees (say 10%) or on the basis of a fee per exchange, or per dollar amount of exchanges (e.g., 2% of each trade).

Please replace the paragraph beginning at page 13, lines 3-16 as follows:

System 10 may function as an exchange for entries, such as entries in a tournament. In such a case, the winning entry would be determined at the end of the activity (in this case, the tournament). Alternatively, system 10 may serve as an exchange for events, which may be based upon a given time or some other criterion. For example, in a single game competition, such as a football game, the entries might include a single digit. The exchange would manage transactions of the single digit. The "winning" single digit might be determined based on the last number in the total score of the two football teams at the end of each quarter. Thus, the term "entries" as used herein, does not necessarily imply "participants" or teams in a ~~competitions~~ competition. Rather, an entry is any designation that may be determined at any point in, or based on any criterion in, an activity. Likewise, a winning entry does not

necessarily mean the winner of a particular competition. Rather, a winning entry may be determined based on any criterion, such as a predetermined number, predetermined time, or the occurrence of an event.

Please replace the paragraph beginning at page 13, line 17 through page 14, line 15 with:

In an example embodiment, system 10 may be configured to handle the initial distribution of the entries. This may be accomplished according to the lottery and/or auction methods already discussed, or according to any other suitable method. Once entries for the activity have been initially distributed, the system 10 manages the exchange of the entries. For example, in a basketball tournament, the entries may be the respective participating teams. The winning entry may be the team that wins the entire tournament. System 10 allows users, through clients 20, to conduct transactions involving the exchange of entries before or during the tournament. Each entry will have an associated price. Preferably, the price is determined by the market. However, the price may be determined based on any factor or set of factors. The price may also be artificially set. System 10 may be configured to receive, ~~form~~ **from** a first user, an offer to sell an entry at a first price. System 10 may be similarly operable to receive, from a second user, an offer to buy an entry at a second price. The first and second prices may have any relationship including one being less than, equal to, or greater than the other. For example, the first price (sell price) might be \$100. The second price (buy price) might be \$90. System 10 may match a buy price and a sell price with each other to initiate an exchange based on any suitable criterion. For instance if the buy price and sell price are within a certain range of one another, system 10 may initiate an exchange at the buy price, at the sell price, or at some other price determined according to any suitable method. For example, if system 10 might be configured to initiate an exchange of the entry at a price half way between the buy and sell price (i.e., \$95). The range between the buy and sell prices at which system 10 will initiate a transaction may be a fixed or variable amount, and may be predetermined based on any number of considerations (such as the

average price of the entries), or may be determined by some other method (such as whether the range is less than a predetermined percentage of the sell price). Of course, these are examples only and the buy and sell prices might be equal, or the buy price might be higher than the sell price. System 10 might also require that the buy and sell prices be equal prior to initiating an exchange. Further, even if the buy and sell prices are equal (or otherwise meet a certain range criterion), system 10 may be configured to not initiate an exchange of the entry unless one or more additional criteria are met.

Please replace the paragraph beginning at page 16, lines 14-19 with:

Exchange system interfaces 14 may include any suitable interface between a client 20 and exchange system platform 16. For example, exchange system interface 14 may comprise a kiosk 26, and automatic teller machine (ATM) 28, a handheld communication device 29 (such as a mobile telephone or a personal data assistant (PDA), ~~a telephone operator 34~~ one or more telephone operators 34, an Internet exchange provider 46 (via one or more servers, for example), or ~~a website 36~~ one or more website(s) 36.

Please replace the paragraph beginning at page 17, lines 28-32 with:

As shown in FIGURE 2, ~~betting-exchange~~ system platform 16 includes a processor 38 coupled to a memory 40. Processor 38 is generally operable to execute various algorithms or calculations to receive, store and communicate exchange information and buy and sell requests, and to conduct transactions necessary for the exchange of entries.

Please replace the paragraph beginning at page 19, lines 15-21 with:

As discussed above, processor 38 is operable to execute exchange system software applications 42. Processor 38 may execute applications 42 based on data ~~data 50~~ received from memory 40 and/or one or more exchange system interfaces 14. In addition, processor 38 may update exchange system data based on new information being received by exchange system platform 16. In some embodiments, processor 38 may update data in

real time, substantially in real time, or at preset intervals (such as every thirty seconds, for example).

Please replace the paragraph beginning at page 19, lines 22-28 with:

As shown in FIGURE 2, exchange system data may be communicated to one or more exchange system interfaces 14 via communication network 18. Current exchange system data may then be made available to clients 20, such as via tote boards or monitors, or on an appropriate ~~website 36~~ one of website(s) 36 that may be accessed by clients 20, for example. In this manner, users may have access to real-time or substantially real-time current exchange system data regarding various activities, events and parameters.